GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2022
ANSWERED ON:05.08.2005
IT IN ORISSA
Oram Shri Jual

Will the Minister of FINANCE be pleased to state:

(a) the total amount of revenues collected by Income Tax Department in Orissa during the last three years, year-wise;

(b) whether the target set for the above years have been achieved;

(c) if not, the reasons therefore;

(d) whether any case of litigation is pending in the High Court in this regard;

(e) if so, the details thereof; and

(f) the amount involved thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI. S.S.PALANIMANICKAM)

(a) The total amount of revenues collected by Income Tax Department in Orissa in last three years is as follows:

Financial Yr.	Amt. of Revenue collected
2004-05	Rs.2197.65 crore#
2003-04	Rs.1399.38 crore
2002-03	Rs. 942.74 crore

The figures for 2004-05 are provisional.

(b) The target was exceeded in Financial Year 2004-05 and there was a small shortfall of 1.5% in Financial Year 2003-04. In Financial 2002-03, 87% of the target was achieved.

(c) Targets for revenue collection for a particular region are fixed assuming certain growth parameters. In some years, the actual performance of the economy remains lower than the assumptions made while fixing the targets, resulting in shortfalls. The state of Orissa with its small industrial base and periodic occurrence natural calamities is particular prone to low economic growth leading to lower revenue collections. Moreover, a substantial portion of the corporation tax collection in Orissa comes from public sector companies like NALCO, Orissa Mining Corporation and Mahanadi Coalfields Ltd. Lower tax payments by such PSUs adversely affects the entire collections of the state.

(d) Yes sir,

(e) In the last three years the Income Tax Department in Orissa has filed 190 appeals before the High Court.

(f) In the cases where the assesses of Orissa have filed appeals before High Court and Supreme Court, the amount of arrears outstanding as on 31.5.2005 is Rs. 8 crore (approximately). In the appeals filed by the Income Tax Department, though there are no outstanding arrears, as in such cases the Department has lost at the stage of ITAT, there would be revenue involved if the Department succeeds in appeal. However, the amount of such revenue is difficult to ascertain.